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Proposed Introduction to Briefing of OPM Representatives  
On CIA's Personnel Management System

The personnel system of the CIA has, from its inception, been excepted from the competitive service. Although the organic legislation establishing the CIA in 1947 did not specifically provide exception, the Civil Service Commission (predecessor to OPM) excepted all CIA positions by placing them in Schedule A. This was in recognition of the covert nature of some CIA positions which could not remain covert if subject to the laws and regulations governing appointment and removal in the competitive service. Even though some CIA positions are openly acknowledged, they too were excepted in order to allow some mobility between the "undercover" positions and those which are not. All positions, therefore, were excepted because the Civil Service Commission thought that a single excepted personnel system would best meet the needs of the Agency. The Congress agreed with the Commission and, in 1949, made the exception statutory by enactment of the Central Intelligence Agency Act which provided that appropriated or nonappropriated funds might be spent to obtain "personal services without regard to limitations on types of persons to be employed..." Since that time, repeated recommendations have been made that the exception be continued. In a 1973 report by the Civil Service Commission to the Senate on Statutory Exceptions to the Competitive Service, the Commission supported continuation of the exception by stating that the CIA employment system appears to be "a working merit system. It provides for written examinations, a competitive promotion plan, and procedures for removal designed to protect the employee."

Despite its excepted status and its exclusion from most of the legislation governing the competitive service, the Agency, as a matter of administrative

policy, adheres to the basic philosophy and principles of that legislation. Because of this, whenever the Agency's system was examined in the past, OPM's predecessor, the Civil Service Commission, concluded that the Agency's personnel system was administered in accordance with merit principles. That applies even more so today because the Civil Service Reform Act of 1978 established certain merit system principles, codified at Section 2301 of Title 5, United States Code, which apply to the Agency as well as all other government agencies.

Since OPM, pursuant to Executive Order 10577 and Civil Service Rule 6.7, may enter into an agreement providing for the interchange of personnel with any Federal agency excepted from the competitive service but administered in accordance with merit principles, the CIA would like to enter such an agreement. On a previous occasion, OPM's predecessor determined that the Agency met all the criteria for approval of an interchange agreement except that the Agency did not apply veterans' preference. However, because the Agency has a well-documented merit system which is compatible, though not necessarily identical, with the competitive appointment merit system, the Civil Service Commission, in a letter to the Office of Management and Budget, dated 3 December 1971, recommended that the President sign a proposed Executive Order transmitted with the letter authorizing an interchange agreement with CIA. The effort expired when the Department of Defense proposed that the order be expanded to include its intelligence components. We propose now to renew that effort. Because OPM's General Counsel ruled in April of this year that OPM has no authority to enter into a personnel interchange agreement with any agency which does not afford applicants veterans' preference, that authority must again be sought by Executive Order. As a condition precedent, we feel assured that you will revalidate your earlier certification of our merit system.

To enable you to do so, we propose to brief you on the current status of our programs for recruitment, selection, and placement; position

classification and management; development and advancement of employees; and adverse actions. I won't expand on those now because they will be covered at greater length by others.

Instead, I would like to conclude my remarks by explaining briefly why the personnel interchange agreement is being sought by the Agency. First, it is a question of fair and equal treatment of Agency employees. The proposed order would merely extend to employees of the CIA the same right to noncompetitive appointment to positions in the competitive civil service now authorized for members of the Foreign Service, employees of TVA, and employees of NRC. Secondly, such an agreement would be potentially beneficial to other agencies because the CIA's reservoir of talented and skilled manpower would be made available to other Federal programs because a reasonable method of entry would be provided. Finally, the interchange agreement would be potentially beneficial to employees in the competitive service because the Agency would be obligated to consider transfer applicants from other agencies. Qualified applicants, however, would have to pass Agency security and medical checks.

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## I. Basis for the Exception of the Agency from the Competitive Service.

### A. Statutory Authority.

Section 102(c) of the National Security Act of 1947, as amended (50 U.S.C. 403(c)), and Section 8(a), formerly 10(a), of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C. 403j.), are the statutory authorities for the Agency's personnel system and its exception from the competitive service.

### B. Coverage.

All positions and all personnel of CIA are excepted; but the positions of Director and Deputy Director are filled by Presidential appointment with the advice and consent of the Senate (50 U.S.C. 403(a)).

### C. Position Coverage.

The number of CIA positions is classified. Security problems preclude the identification of all kinds of positions covered by the exception; however, positions include analysts of various kinds, scientists of various disciplines, medical doctors, secretaries, computer and data control personnel, security personnel, communications personnel, paramilitary personnel, intelligence-gathering personnel, lawyers, clerical personnel of various kinds, training, personnel, budget and finance officers, etc.

### D. Historical Basis for the Exception.

The historical basis for the exception from the competitive service was and is the fact that Agency functions and activities require stringent secrecy and security measures. The Agency was established in 1947 by the National Security Act (50 U.S.C. 402-405) which partially excepted it from the competitive service (50 U.S.C. 403(c)). Later, full excepted status was granted by the Civil Service Commission in recognition of the security problems particular to intelligence as well as the flexibility needed to meet the ever-shifting exigencies of foreign affairs and intelligence collection. A legislative basis for this excepted status, however, was then subsequently created by the passage of the CIA Act of 1949 (50 U.S.C. 403j.). It was recognized at that time, as it is today, that the accomplishment of intelligence activities requires special authorities and exceptions from normal government procedures and requirements.

## II. Current Agency Personnel Policy, Practice, and Procedures.

### A. Merit System.

The Agency's belief that its personnel management program is based on merit system principles has been supported in the past by the Civil Service Commission. In July 1973, in an attachment to a letter to the Chairman, Senate Committee on Post Office and Civil Service, Commissioner Hampton observed that the Agency's program appeared to be a "working merit system." There have been constant efforts to strengthen our personnel management system since then and improvements have been made.

## B. Recruitment and Selection.

The functions of recruitment and selection, particularly of professional and technical employees, involve an intimate awareness of Agency operations and of the qualification requirements stemming therefrom. Ours is a job of procuring and organizing people trained in a broad range of skills and disciplines to carry out the Agency's missions through methods and procedures which, though not unusual in themselves, are followed in ways that insure both flexibility and the protection of sensitive information. Our methods and procedures are generally based on merit system principles, but are adapted in practice to the unique security, personnel, and cover requirements of the Agency.

### 1. Announcements or Other Kinds of Publicity of Vacancies.

External, or public, announcements of job opportunities and manpower needs include:

- a. Advertising in newspapers and in professional and technical journals.
- b. Job listings (brief job descriptions with instructions on how to apply) in the placement publications of professional societies and organizations.
- c. A full-page institutional ad each year in the College Placement Annual, copies of which are distributed to every college placement office in the country.
- d. Distribution of job information and recruitment literature in Federal Job Information Centers nationwide and in separation centers.
- e. Distribution of fliers and specific job announcements to academic departments, student advisors and placement officers.
- f. Talks by Agency representatives to student and faculty groups at high school through graduate school levels.

Internal announcements of job opportunities are made through a Vacancy Notice System, coordinated and monitored in the central Office of Personnel Policy, Planning, and Management, and through vocational

counseling activities of personnel placement officers who are currently aware of staffing needs throughout the Agency and serve the interest of all operating components. A consistent effort is made to fill vacancies as they arise through internal reassignment before going to external recruitment.

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- e. Recruiters maintain contact with military installations in their respective regions where people are to be found who are leaving the service with skills and experience appropriate to Agency needs.
- f. Recruiters, often in collaboration with appropriate Agency specialists, attend meetings of professional societies and associations and, working with the placement function normally available at the meeting, identify candidates and arrange interviews.
- g. Contact is maintained with U.S. and state employment services throughout the country to publicize our needs and obtain candidate leads.
- h. Recruiters participate in "career days" and "job fairs" in schools at all levels including high schools, vocational and technical institutions, as well as colleges.
- i. Minority recruitment is emphasized, and special efforts are made to generate applications and referrals in the predominantly Black schools and through organizations supporting Equal Employment objectives. Black and Hispanic employees already in the Agency participate actively in this effort. At present, about 25 percent of Agency recruiters are either Black or Hispanic.

Once the candidate has been identified, recruitment begins with an interview. The nature and location of the initial interview and follow-up action are determined by considerations of security and cover; i.e., if the individual appears to be a likely candidate for assignment in a covert capacity, precautions are taken from the outset to avoid his or her public identification with the Agency. In any case, the interview is an initial exchange of communication which serves primarily to establish a presumption of serious interest and employability. When it produces a completed application, the next steps in the processes of selection begin.

### 3. Job Evaluation System and Qualification Standards.

The Classification Act of 1949, specifically exempting CIA from its application, was not enacted until October 1949, four months after the effective date of the Central Intelligence Agency Act of 1949. An exchange of correspondence between the Agency and the Civil Service Commission in June and August 1949 established the position that the Agency, by virtue of what is now Section 8 of the CIA Act of 1949, was exempt from the Classification Act of 1923, the statute then in force which was repealed and replaced by the Classification Act of 1949. By letter of August 10, 1949 to the Commission, the Director indicated the Agency's intention as an administrative policy, to adhere to the basic philosophy and

principles of the Classification Act and related Civil Service standards, notwithstanding that the Act was not applicable to the Agency.

The basic occupational coding system established by the Civil Service Commission for Federal positions has been generally adapted to CIA positions. The position grades and grade definitions of the Classification Act are generally utilized as well as the pay schedule, the step-rate system, premium pay rates, and other benefits applicable to General Schedule employees.

Office of Personnel Management position standards, both in the narrative and Factor Evaluation System forms, have been modified and are used currently in the classification of CIA positions to the extent that they are applicable.

Agency position standards have been developed for positions not covered by OPM standards. These include Senior Intelligence Service (SIS) positions which roughly correspond to the SES in the competitive service, intelligence and operations officers, and various technical and support positions. Job comparison is a standard method used in classification where standards are not available. Internal comparison and comparison with positions outside the Agency are both used.

Qualification standards established by the Office of Personnel Management are generally followed.

#### 4. Examining Methods and Techniques Practiced.

Evaluation of the applicant's academic and professional background and level of performance is based on review of transcripts, certificates, honors achieved, and other related evidence which is a matter of record in the application.

Proficiency tests are used only to verify claimed and measurable skills in such fields as foreign languages, shorthand, typing, certain types of office machine and computer operations, and communications equipment. The tests used in such instances are standard measures in general use in government and private enterprise.

For clerical applicants a general aptitude test is used, again a standard and widely used instrument.

Specialized aptitude tests are used for applicants for certain technical fields of work who are otherwise qualified for employment but lack established skills, e.g. computer operations, communications, photo interpretation, etc. The objective is to obtain some measure of trainability and probable adjustment to the field of work involved.



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The Agency is exempted by law from automatic and invariable application of veteran preference, but in practice we consider military service to be a valuable additional qualification, either specifically or in general.

Observance of the principles and objectives of Equal Employment Opportunity is an important and emphasized feature of the Agency's personnel system. Reference was made earlier to special recruitment efforts in this area, efforts which are resulting in increased numbers of minority applicants and entrants on duty. Minority applications are monitored carefully in the selection process, both by the Office of Personnel Policy, Planning, and Management and by the Deputy Directors of the major components, and decisions to hire or reject are confirmed by the Deputy Director in charge of the area concerned. Component performance in minority employment is reported periodically to the Director of EEO and is reviewed by him or her with the Deputy Directors. Components which appear to be lagging become the object of follow-up action by the Director of EEO.

C. Promotion Policies in Effect.

For many years the Agency has operated under a policy of competitive selection for promotion.

1. Policy:

The promotion of employees is based on competitive evaluation of their performance, qualifications, length of service, potential, and value to the Agency. Employees who have been downgraded without personal cause are given full consideration for promotion to their original grade when competitive evaluations are being made.

Each Career Service comprises a competitive area for promotion for members of that Service. The Head of a Career Service may establish separate areas of competition within that Service when necessary because of differences in occupation or functional lines of work performed by its personnel.

Promotions are generally limited to one-grade advancements. Exceptions to this policy are made only when the Director of Personnel Policy, Planning, and Management determines, upon recommendation of the Head of the Career Service concerned, that exception is justified.

2. Procedures:

All employees below SIS-4 are evaluated for competitive promotion by a personnel evaluation board or panel at least annually.

Promotion recommendations are submitted in accordance with instructions and time schedules prescribed by Agency regulations.

D. Separations.

All involuntary separations are accomplished pursuant to Section 102(c) of the National Security Act of 1947, as amended, and implementing regulations of the Agency.

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